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FORM 10-Q

D92.22601

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF

SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended February 29, 1992. Commission File No. 0-6744.

CROWNAMERICA, INC.
(Exact Name of Registrant as Specified in its Charter)

Georgia	58-0210840
(State of Incorporation)	(I.R.S. Employer Identification Number)

701 Chattanooga Avenue, Dalton, Georgia	30720
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number: (404) 278-1422

Not Applicable
Former name, former address, and fiscal year, if changed since last report

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days.

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Yes: X No: ___

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The number of shares outstanding of common stock as of February 29, 1992 was 1,053,000.

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This report contains 10 pages. No exhibit index is included because no exhibits are required to be furnished.

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PART I

Financial Information

CROWNAMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(Unaudited)

	Six Months Ended		Three Months Ended	
	February 29, 1992	March 2, 1991	February 29, 1992	March 2, 1991
	(Thousands of Dollars, Except Per Share Data)			
Net sales and processing income	$ 31,630	$ 33,319	$ 14,312	$ 14,551
Cost of products sold	29,855	31,074	13,593	13,929
	1,775	2,245	719	622
Selling and administrative expenses	2,098	2,185	1,098	1,022
	(323)	60	(379)	(400)
Other charges (credits):				
Interest expense	302	290	157	162
Other income net of other deductions	(76)	(1,530)	79	(94)
	226	(1,240)	236	68
Income (loss) before income taxes	(549)	1,301	(615)	(468)
Income tax expense (refund)	(260)	469	(228)	(142)
NET INCOME (LOSS)	$ (289)	$ 832	$ (387)	$ (326)
Earnings (loss) per share of common stock	$ (.27)	$ .79	$ (.37)	$ (.31)
Dividends per share	-0-	.25	-0-	.10
Average number of common shares outstanding	1,053,000	1,053,000	1,053,000	1,053,000

CROWNAMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

	February 29, 1992	August 31, 1991
ASSETS		
CURRENT ASSETS		
Cash	$ 4,368	$ 106,319
Short Term Investments	62,084	545,742
Accounts receivable less allowance of $151,652 on March 2, 1991 and on August 31, 1990	8,157,496	8,033,514
Inventories	3,035,097	3,364,377
Prepaid expenses	900,182	526,808
Refundable income taxes	281,683	---
TOTAL CURRENT ASSETS	12,440,910	12,576,760
OTHER ASSETS	123,689	171,655
PROPERTY, PLANT AND EQUIPMENT	29,097,650	28,003,610
Less allowance for depreciation	(14,235,980)	(12,458,841)
TOTAL FIXED ASSETS	14,861,670	15,544,769
TOTAL ASSETS	$27,426,269	$ 28,293,184

CROWNAMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS (CONT'D)
(Unaudited)

	February 29, 1992	August 31, 1991
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 2,853,975	$4,867,885
Notes payable	4,248,540	2,916,259
Accrued compensation	569,019	588,239
Accrued interest	74,982	56,080
Income taxes payable	-0-	35,317
Other accrued expenses	827,530	702,384
Current portion of long-term debt and capitalized lease obligations	709,530	644,637
TOTAL CURRENT LIABILITIES	9,283,576	9,810,801
LONG-TERM DEBT, less current portion	1,689,460	1,748,150
CAPITALIZED LEASE OBLIGATIONS, less current portion	372,195	559,103
DEFERRED INCOME TAXES	217,000	217,000
SHAREHOLDERS' EQUITY		
Common stock	2,106,000	2,106,000
Additional paid-in capital	933,406	933,406
Retained earnings	11,802,720	12,091,788
Equity adjustment from foreign currency translation	1,021,912	826,936
TOTAL SHAREHOLDERS' EQUITY	15,864,038	15,958,130
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 27,426,269	$ 28,293,184

CROWNAMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOW
(Unaudited)

	FOR THE SIX MONTHS ENDING	
	February 29, 1992	March 2, 1991
OPERATING ACTIVITIES:		
Net Income (Loss)	$ (289,068)	$ 832,342
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,377,852	1,212,209
Gain on sale of property	-0-	(1,446,930)
Changes in operating assets and liabilities:		
Accounts receivable	(123,982)	221,315
Inventory	329,280	1,749,923
Prepaid expenses	(373,374)	(256,295)
Other assets	47,966	95,846
Accounts payable and accrued expenses	(1,889,082)	(1,088,253)
Income taxes	(317,000)	259,891
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(1,237,408)	1,560,048
INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(369,337)	(4,520,885)
Proceeds from the sale of property, plant and equipment	-0-	3,900,000
NET CASH USED IN INVESTING ACTIVITIES	(369,337)	(620,885)

FINANCING ACTIVITIES:		
Proceeds from notes payable, long-term debt and capitalized lease obligations	16,203,659	15,963,650
Principal payments on notes payable, long-term debt and capitalized lease obligations	(15,368,880)	(17,319,550)
Dividends paid	-0-	(263,251)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	834,779	(1,619,151)
Effect of exchange rate changes on cash	186,357	(614,075)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(585,609)	(1,274,062)
Cash and cash equivalents at beginning of period	652,061	2,246,762
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 66,452	$ 972,700

See Notes to Consolidated Condensed Financial Statements

CROWNAMERICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED

CONDENSED FINANCIAL STATEMENTS
(unaudited)
(February 29, 1992)

NOTE A--BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included, and all such adjustments are of a normal recurring nature. Operating results for the six-month period ended February 29, 1992 are not necessarily indicative of the results that may be expected for the year ending August 31, 1992. For further information, refer to the consolidated financial statements and footnotes thereto included in the registrant's annual report on Form 10-K for the year ended August 31, 1991.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management of the registrant believes that its financial condition is sound and that its present working capital, together with any future profits and its ability to borrow on a satisfactory basis from others, will meet its needs for liquidity both on a short-term and a long-term basis.

At the end of the first quarter of the current fiscal year the ratio of current assets to current liabilities was 1.3, the same ratio that existed at the end of the preceding fiscal year.

The Dutch plant's performance in the second quarter was only satisfactory but, because of a strong first quarter, results for the first six months were good. Although the results at the Dalton plant were weak due to the above impact of ths recession, the registrant believes as the U.S. economy strengthens, improvement in its domestic business will also occur.

Results for the first six months of the prior fiscal year included an after-tax profit of $900,000 from the sale in November, 1990 of the plant in Valdosta, Georgia.

During the first six months of prior fiscal year, the European operations were profitable but U.S. product demand was weak.

PART II

Other Information

Items 1 through 5

Inapplicable

Item 6

Exhibits and Reports on Form 8-K

(a) No exhibits are required to be filed pursuant to Item 601 of Regulation S-K, and none have been filed.

(b) No report on Form 8-K was required to be filed and none was filed during the first six months of the current fiscal year.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CROWNAMERICA, INC.

Date: April 13, 1992

By: _____
G. Lane Hamilton, President
and Treasurer